

FILED

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PETER A. MOORE, JR., CLERK  
US DISTRICT COURT, EDNC  
BY JP DEP CLK

AFH

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

No. 5:18-cr-00078

UNITED STATES OF AMERICA	)	
	)	
v.	)	<u>CRIMINAL INFORMATION</u>
	)	
REGINALD VAN REESE, JR.	)	
_____	)	

The United States Attorney charges that:

COUNT ONE

I. INTRODUCTION

1. Beginning no later than in or about May 2014, and continuing until at least in or about June 2016, in the Eastern District of North Carolina and elsewhere, the defendant, REGINALD VAN REESE, JR., and one or more other persons conspired to defraud the North Carolina Medicaid system by unlawfully exchanging stolen Medicaid beneficiary information and using such information to prepare and file false and fraudulent claims for reimbursement of services that were not rendered by the billing providers.

2. At all relevant times, REGINALD VAN REESE, JR., resided in the Eastern District of North Carolina.

3. Medicaid is a Federal health care benefit program that helps pay for medically necessary services for low income individuals and their families ("beneficiaries"). Medicaid is

administered by state governments. In North Carolina, Medicaid is administered by the North Carolina Department of Health and Human Services, Division of Medical Assistance ("DMA"). The North Carolina Medicaid system includes and funds both traditional Medicaid and the North Carolina Health Choice for Children insurance program (collectively, "Medicaid").<sup>1</sup>

4. If qualified, a beneficiary can enroll in the Medicaid program. At the time of enrollment, a beneficiary receives a unique alphanumeric code issued by the program. This code is known as a Medicaid Identification ("MID") Number. Similar to traditional insurance, beneficiaries may use their MID numbers to receive covered medical services.

5. Medicaid beneficiaries receive services from medical practitioners and companies, referred to as Medicaid "providers." Every provider who participates in the Medicaid program must apply for and be assigned a National Provider Identifier ("NPI"). The NPI is a 10-digit number used to identify claims filed by and monies paid to a given provider. All Medicaid providers must certify that they will only bill the government for services that they actually render.

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<sup>1</sup> The Health Choice program supports families whose household income is too high to qualify for traditional Medicaid benefits and too low to afford private or employer-sponsored health insurance.

6. After a provider renders a covered medical service to a Medicaid beneficiary, the provider may bill Medicaid for the reasonable and necessary costs of the service. In general, providers bill Medicaid for services by submitting an electronic claim for reimbursement over the Internet through North Carolina's Medicaid information management system, referred to as the NCTracks Provider Portal.

7. In each claim, the provider must enter truthful information concerning the services it performed. The claim generally includes, but is not limited to, the date of the alleged service, the MID number of the beneficiary, the nature of the service(s) rendered, and the provider's NPI number.

8. Some of the services covered by Medicaid include mental health services, including assessment, individual and group therapy, family therapy, psychiatric medication management, and psychological testing for beneficiaries of all ages.

9. Medicaid providers are required to maintain service notes and other medical records for a period of five years in order to document and substantiate any claims for reimbursement.

## II. THE CONSPIRACY

10. Beginning no later than in or about May 2014, and continuing until at least in or about June 2016, in the Eastern District of North Carolina and elsewhere, the defendant, REGINALD VAN REESE, JR., did knowingly combine, conspire, confederate, and

agree with one or more known and unknown persons to commit an offense against the United States, namely:

(a) knowingly and willfully executing, and attempting to execute, a scheme and artifice to defraud a health care benefit program, as defined in Title 18, United States Code, Section 24(b), affecting commerce, to wit, Medicaid, and to obtain, by means of materially false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

#### OBJECT OF THE CONSPIRACY

11. The principal object of the conspiracy was for the conspirators, including the defendant, REGINALD VAN REESE, JR., to enrich themselves at the expense of the taxpayer-funded Medicaid system by unlawfully exchanging stolen Medicaid beneficiary information and using such information to prepare and file with Medicaid false and fraudulent reimbursement claims for health care services that were never rendered.

#### MANNER AND MEANS

Among the manner and means used to effect and accomplish the purpose of the conspiracy included, but were not limited to, the following:

12. It was part of the conspiracy that REGINALD VAN REESE, JR., misappropriated and possessed without authorization personal identifying information ("PII") for numerous minor and adult Medicaid beneficiaries, including, but not limited to, names, dates of birth, and MID numbers.

13. It was further part of the conspiracy that REGINALD VAN REESE, JR., sold the Medicaid beneficiary PII in his possession to corrupt providers or agents thereof for their use in preparing and filing false Medicaid claims.

14. It was further part of the conspiracy that REGINALD VAN REESE, JR. was employed by multiple mental health providers operating in the Eastern District of North Carolina and, in this capacity, REGINALD VAN REESE JR. aided and abetted such providers in the preparation and filing of false and fraudulent Medicaid claims for services not rendered and/or that derived from the stolen PII of Medicaid beneficiaries.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO

On or about February 11, 2015, in the Eastern District of North Carolina and elsewhere, the defendant, REGINALD VAN REESE, JR., aiding and abetting others, did knowingly and with intent to defraud, transfer, possess, and use, without lawful authority, a means of identification of another person, to wit, the name, date of birth, and Social Security number of a minor victim whose initials are K.B., during and in relation to the offense of Health Care Fraud, a felony enumerated in Title 18, United States Code, Section 1028A(c).

All in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

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FORFEITURE NOTICE

Upon conviction of the offense alleged in this Criminal Information, the defendant, REGINALD VAN REESE, JR., shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

The forfeitable property includes, but is not limited to, the gross proceeds obtained by the defendant.

If any of the above-described forfeitable property, as a result of any act or omission of the defendant, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

ROBERT J. HIGDON, JR.  
United States Attorney

  
ADAM F. HULBIG  
Assistant United States Attorney  
Criminal Division